

Forestar Group Inc.
Form 8-K
July 18, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: July 15, 2014
(Date of earliest event reported)

FORESTAR GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	Commission File Number 001-33662	26-1336998 (I.R.S. Employer Identification No.)
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6300 Bee Cave Road, Building Two, Suite 500
Austin, Texas 78746
(Address of principal executive offices) (zip code)

(512) 433-5200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth under Item 2.03 of this Current Report on Form 8-K with respect to the Credit Agreement (as defined herein) is hereby incorporated into this Item 1.01 by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

On July 15, 2014, a joint venture of Forestar Group Inc. (the “Company”) obtained a senior secured construction loan (the “Loan”) in the amount of \$46,384,000 from Regions Bank, an Alabama State Banking Corporation (“Regions”). The venture is owned 25% by a subsidiary of the Company and 75% by AIGGRE Littleton Commons Investor, LLC, which is an entity owned by subsidiaries of American International Group Inc. The purpose of the Loan is to finance construction of a 385 unit multifamily project located in Littleton, Colorado (the “Project”). The Loan is secured by a lien on the Project land and improvements to be constructed, and by a collateral assignment of present and future leases and rents. The Loan bears interest at the LIBOR rate plus 1.90%, payable monthly, has an initial term of 36 months (“Initial Loan Term”) and may be extended for two additional 12-month periods following the Initial Loan Term, subject to payment of extension fees and fulfillment of specified conditions. The Loan may be repaid in full or in part at any time, subject to certain conditions. A subsidiary of the Company has provided Regions with a guaranty of completion of the improvements; a guaranty (the “principal guaranty”) of repayment of 25% of the principal, repayment of all accrued and unpaid interest, and payment of all operating expenses of the Project (except for certain expenses); and a nonrecourse carve-out guaranty. The principal guaranty will reduce from 25% to 10% of the principal upon achievement of six months of a 1.25:1.0 debt service coverage ratio.

This summary is qualified in its entirety by reference to the Guaranty, which is attached as Exhibit 10.1 and incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description of Exhibit

10.1 Guaranty dated July 15, 2014 by Forestar (USA) Real Estate Group Inc. in favor of Regions Bank, an Alabama State Banking Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORESTAR GROUP INC.

Date: July 17, 2014

By: /s/ Christopher L. Nines
Name: Christopher L. Nines
Title: Chief Financial Officer

EXHIBIT INDEX

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